

Financial

Steve Hakala joined the Army at age 22. He bravely crawled through the trenches of many difficult campaigns as an infantryman – by way of the gritty coalmines back home. “It was 1941 and the depression was lingering on,” he said. “The coalmine shut down

and I wanted a meal – so I enlisted.” Little did he know



that he'd rise to such great heights on the

battlefield – and ultimately earn three prestigious

combat infantryman's badges. This admirable distinction is rare. Only one other resident here

has earned it three times. Hakala's unit was called the Bushmasters – the only jungle troops

in the Philippines. “I was in-and-out – with broken service. But I re-enlisted in the Korean War

... and again in Vietnam.” When asked why he repeatedly came back, Hakala shot back:

“I loved it!” At age 88, Steve seems a much younger man. He stays active and enjoys

competitive bowling and friendly beers with his

comrades each Thursday. “These are my

buddies. And I'm in my element

here, around service people.”

Well, as they say, once a soldier

always a soldier.



Message from the Chief Financial Officer

The Resources to Grow

I am pleased to present the AFRH financial statements for FY06. As always, we have continued to maintain our resident-focused approach – while employing the highest standards to our fiscal management. Now, I have the pleasure of offering the President, Congress and the American people this Report on our stewardship of the public funds entrusted to us.

Leveraging Challenges

In the face of adversity and change this past year, our staff has done an admirable job of safeguarding the funds entrusted to them. In fact, our entire staff has been vigilant about getting the most from every dollar – while also creating programs with tremendous value.

At the close of FY05, the AFRH was saturated with the aftermath of Hurricane Katrina and the ensuing Gulfport closure. Back then we faced many challenges. Now, I am happy to report we have met those challenges head on – and this section is a true reflection of our recent financial rebound. One success makes me especially proud – our second unqualified audit opinion for FY06.

Expanded E-Gov

This year's PAR has a special section devoted to our victory with the President's E-Gov Initiative (See pg. 30, Special IT Feature). We believe the Home has taken E-Gov to a new level as an agency and we are most proud. Our focus has been leveraging the power of the Internet through help desks, maintenance, software updates, training and innovation. In a sense, the Home is a "customer" of our pri-

mary systems – like e-mail, resident information, and financial management. Today, we feel like we've been given a premium upgrade – in the form of a web-based, enterprise IT system with great functionality and integration. And now, it is certified and accredited.

Financial Advances

I personally can vouch for our new financial management system – because it seamlessly integrates accounting, procurement, travel, purchase cards, investments, payroll and asset management. The best part: we have access to all vital systems via the Internet, from anywhere in the world. This advancement has been a strong enabler, dramatically bolstering the Home's core competency: premier retirement services for America's war Veterans.

We made great strides in another PMA Initiative, too: Competitive Sourcing. From 2003 – 2004, we conducted seven competitive sourcing studies for public-to-private partnerships. These studies will generate almost \$18.7 million in savings over five years. Meanwhile, we conducted an additional six public-to-public transfers. Those efforts helped create enviable full-service capabilities in accounting, procurement, human resources, travel, purchase and travel cards, as well as investing.

Boosting Efficiency

This would not have been possible without our unique public partnership with the BPD's ARC division. They helped us gain efficiencies by eliminating waste and minimize system costs by pooling resources. Now, we only pay for the services we use. All told, we developed

a successful public-to-public model that can serve as a benchmark for other Federal agencies as they strive for excellence.

With the added residents from Gulfport, the need for expansion in Washington became evident. The influx caused inefficiencies for part of the year – in medical services and transportation routes, to name a few. Yet, at the close of FY06, we were working toward efficiency. We also started our 10-year financial plan, to be completed in FY07. In our Washington Master Plan, we created a future vision to maximize our buildings and residential areas, while also earning revenue from our holdings. Lastly, management agreed on a set of Guiding Principles that will direct our operational decisions as we move toward even more efficiencies.

Gulfport Grateful

Regarding the fate of Gulfport, Congress has provided funding for the rebuild of the campus. All of us at the AFRH are very excited about this great news. Now, we are diligently working to move forward with GSA, the agent for Gulfport construction and contract administration.

In reflection of the past year, we must send out special thanks to many unsung heroes. All year long, hundreds of volunteers appeared in Gulfport and Washington to aid our residents'

in the aftermath of Hurricane Katrina. We are forever grateful for all they have done. From cleaning up debris, building fences and moving bulky furniture ... to packing personal items, making generous donations and providing moral support. Those good people brought many smiles to our residents' faces and their support and prayers have been invaluable for our morale. We cannot list the name of every volunteer ... but we can offer heartfelt thanks.

Special Thanks

Likewise, Congress has been extremely generous to us. The tremendous support they have shown our Veterans is a testament to the original Promise the military made in 1811 to care for its own. In our long and storied history, we have remained financially independent – mostly using money generated from the men and women of the Armed Forces themselves. Yet, with the appropriated funds for the Gulfport rebuild, Congress has bestowed a unique and noteworthy tribute to those who have served their country so selflessly.

In the end, FY06 was a year of new challenges and more successes. As always, we'll be looking to improve our performance as we advance on our Goals in 2007.

Sincerely,



Steven G. McManus
Chief Financial Officer (CFO), AFRH
November 15, 2005



The principal AFRH Financial Statements were carefully prepared to report our financial position and operational results. Independent accountants conducted in-depth statement audits, in accordance with government auditing standards. Our Statements should be read with the understanding they are for a component of the US Government, a sovereign entity.

The AFRH financial management activities in FY06 – including purchasing, payments, accounting, budget and travel service – were administered by BPD. The NFC processed our payroll and time/attendance data entry transactions.

These operations were managed under mutual agreements with the Departments of Treasury and Agriculture. The AFRH relies on information received from BPD and NFC (plus audits and reviews) to execute its management control.

"I do believe this is the first time ever, in the history of the Home, that we earned 'unqualified opinions' on audits two years in a row."

— Steve McManus, CFO

The Funds to Reinforce

Since Hurricane Katrina and throughout FY06, an influx of Congressional Hurricane Supplementals helped the Home financially.

| | |
|--------------|--|
| PL 109-62 | \$6 M initially given to move and house residents |
| PL109-148 | \$65.8 M to plan and design Gulfport, as well as sustain and expand Assisted Living & Memory Support in DC |
| PL109-234 | \$176 M to rebuild the Gulfport complex |
| TOTAL | \$247.8 MILLION |

We are truly thankful to Congress for supporting the Home at this unique and critical juncture. It can rest assured that these funds will be spent wisely to help us fulfill our mission. Moving forward, GSA is the agent for Gulfport planning, design, construction and contract administration – in consultation with AFRH management and the Naval Facilities Engineering Command.

Strengthening Washington

Katrina funds of \$11 million are now being used to develop a Memory Support unit and to improve Assisted Living facilities in Washington. Katrina funds were also used to transport Gulfport residents' personal belongings to DC and other locations where former residents live.

Prince Charles came to honor our Veterans at a British Embassy WWII Memorial service. He conversed with many residents like Margaret Jirak – and made a royal impression.



The Capacity to Validate



BROWN & COMPANY CPAs, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

U.S. Armed Forces Retirement Home
Washington, D.C.

We have audited the accompanying consolidated balance sheets of the U.S. Armed Forces Retirement Home as of September 30, 2006 and 2005, and the related consolidated statements of net cost and results of operations and changes in net position, and the combined statements of budgetary resources and financing for each of the years ended September 30, 2006 and 2005. These financial statements are the responsibility of the U.S. Armed Forces Retirement Home. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements, as amended*. Those standards and OMB Bulletin No. 06-03 require that we plan and perform the audit to obtain reasonable assurance about whether the principal statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Armed Forces Retirement Home as of September 30, 2006 and 2005, and its net costs, changes in net position, budgetary resources, and financing for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2006 on our consideration of the U.S. Armed Forces Retirement Home's internal control over financial reporting and a report dated October 27, 2006 on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with U.S. Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The information in Management's Discussion and Analysis and Required Supplementary Information sections is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Circular No. A-136, *revised Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and, accordingly, express no opinion on it.

Brown & Company

Largo, Maryland
October 27, 2006

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CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

 U.S. Armed Forces Retirement Home
 Washington, D.C.

We have audited the principal statements (hereinafter referred to as "financial statements") of the U.S. Armed Forces Retirement Home as of and for the year ended September 30, 2006, and have issued our report thereon dated October 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered the U.S. Armed Forces Retirement Home's (AFRH) internal control over financial reporting by obtaining an understanding of AFRH's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 06-03. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide an opinion on internal control and therefore, we do not express an opinion on internal control.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect AFRH's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we considered to be material weaknesses as defined above.

In addition, with respect to internal control objective related to the performance measures included the in "Management's Discussion and Analysis," we obtained an understanding of the design of internal controls relating to the existence and completeness assertions and determined whether they have been placed in operation. Our procedures were not designed to provide an opinion on internal control over reported performance measures, and, accordingly, we do not express an opinion on such controls.

This report is intended solely for the information and use of the management of the U.S. Armed Forces Retirement Home, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

 Largo, Maryland
 October 27, 2006

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CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

 U.S. Armed Forces Retirement Home
 Washington, D.C.

We have audited the principal statements (hereinafter referred to as "financial statements") of the U.S. Armed Forces Retirement Home as of and for the year ended September 30, 2006, and have issued our report thereon dated October 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements*.

The management of the U.S. Armed Forces Retirement Home (AFRH) is responsible for complying with laws and regulations applicable to AFRH. As part of obtaining reasonable assurance about whether AFRH's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 06-03. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to AFRH.

The results of our tests of compliance disclosed no reportable instances of noncompliance with other laws and regulations discussed in the preceding paragraph that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 06-03.

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and, accordingly, we do not express such an opinion. However, we noted no noncompliance with laws and regulations, which could have a direct and material effect on the determination of financial statement amounts.

This report is intended solely for the information and use of the management of the U.S. Armed Forces Retirement Home, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

 Largo, Maryland
 October 27, 2006

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AFRH Financial Statements

Armed Forces Retirement Home

BALANCE SHEET

AS OF SEPTEMBER 30, 2006 AND 2005

(In Dollars)

| | 2006 | 2005 |
|--|-----------------------|-----------------------|
| Assets : | | |
| Intragovernmental: | | |
| Fund Balance with Treasury | \$ 239,123,692 | \$ 6,523,911 |
| Investments | 139,563,566 | 124,841,901 |
| Accounts Receivable | 2,687,343 | 3,168,942 |
| Total Intragovernmental | \$ 381,374,601 | \$ 134,534,754 |
| Accounts Receivable | 554,056 | 760,959 |
| General Property, Plant and Equipment | 75,875,693 | 77,871,110 |
| Total Assets | \$ 457,804,350 | \$ 213,166,823 |
| Liabilities: | | |
| Intragovernmental: | | |
| Accounts Payable | \$ 772,159 | \$ 133,340 |
| Other | 1,932,247 | 1,955,574 |
| Total Intragovernmental | \$ 2,704,406 | \$ 2,088,914 |
| Accounts Payable | 3,471,327 | 3,256,252 |
| Other | 2,075,294 | 2,487,105 |
| Total Liabilities | \$ 8,251,027 | \$ 7,832,271 |
| Net Position: | | |
| Cumulative Results of Operations | \$ - | \$ 205,334,552 |
| Cumulative Results of Operations - Earmarked Funds | 449,553,323 | - |
| Total Net Position | \$ 449,553,323 | \$ 205,334,552 |
| Total Liabilities and Net Position | \$ 457,804,350 | \$ 213,166,823 |

The accompanying notes are an integral part of these statements.

Lorenzo Seneris celebrates his 101st birthday in grand style — surrounded by family, friends and caring staff members. Apparently, you can have your cake and eat it too.



The spirit of Mardi Gras is alive and well in DC. Here, Calvin Woodwork pays homage to the honorable Queen Edythe Jackman, age 96.

Armed Forces Retirement Home

STATEMENT OF NET COST

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005

(In Dollars)

| | 2006 | 2005 |
|--|----------------------|----------------------|
| Program Costs: | | |
| Chief Operations Office: | | |
| Gross Costs | \$ 2,182,271 | \$ 1,388,808 |
| Less: Earned Revenue | 543,256 | 342,567 |
| Net Program Costs | \$ 1,639,015 | \$ 1,046,241 |
| Corporate Resource Office: | | |
| Gross Costs | \$ 6,925,162 | \$ 5,729,744 |
| Less: Earned Revenue | 1,723,955 | 1,413,318 |
| Net Program Costs | \$ 5,201,207 | \$ 4,316,426 |
| Gulfport, MS: | | |
| Gross Costs | \$ 7,533,225 | \$ 17,603,692 |
| Less: Earned Revenue | 1,875,327 | 4,342,186 |
| Net Program Costs | \$ 5,657,898 | \$ 13,261,506 |
| Washington D.C.: | | |
| Gross Costs | \$ 50,921,900 | \$ 47,990,238 |
| Less: Earned Revenue | 12,676,537 | 11,837,434 |
| Net Program Costs | \$ 38,245,363 | \$ 36,152,804 |
| Total Program Costs: | \$ 50,743,483 | \$ 54,776,977 |
| Less: Earned Revenues Not Attributed to Programs | | 19,396 |
| Net Cost of Operations | \$ 50,743,483 | \$ 54,757,581 |

The accompanying notes are an integral part of these statements.

Former Senator Bob Dole visits AFRH to deliver his annual inspirational message to the troops, our Vets and wounded military that were transported here from Walter Reed Hospital. Mr. Dole endured a long recovery from a shoulder and spine wound in WWII – which helped shape his optimistic character.



Armed Forces Retirement Home

STATEMENT OF CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005
(In Dollars)

| | 2006 Earmarked Funds | 2006 Consolidated Total | 2005 Consolidated Total |
|--|----------------------------|-------------------------------|-------------------------------|
| Cumulative Results of Operations: | | | |
| Beginning Balances | \$ 205,334,552 | \$ 205,334,552 | \$ 203,525,737 |
| Beginning Balances, as Adjusted | \$ 205,334,552 | \$ 205,334,552 | \$ 203,525,737 |
| Budgetary Financing Sources: | | | |
| Appropriations Used | \$ 241,800,000 | \$ 241,800,000 | \$ - |
| Nonexchange Revenue | 49,744,164 | 49,744,164 | 48,228,591 |
| Donations and Forfeitures of | | | |
| Cash and Cash Equivalents | 973,267 | 973,267 | 1,006,079 |
| Transfers-in/out Without Reimbursement | 800,000 | 800,000 | 5,200,000 |
| Other Financing Sources (Non-Exchange): | | | |
| Imputed Financing Sources | 1,644,823 | 1,644,823 | 2,131,726 |
| Total Financing Sources | \$ 294,962,254 | \$ 294,962,254 | \$ 56,566,396 |
| Net Cost of Operations | (50,743,483) | (50,743,483) | (54,757,581) |
| Net Changes | \$ 244,218,771 | \$ 244,218,771 | \$ 1,808,815 |
| Cumulative Results of Operations | \$ 449,553,323 | \$ 449,553,323 | \$ 205,334,552 |
| Budgetary Financing Sources: | | | |
| Appropriations Received | \$ 241,800,000 | \$ 241,800,000 | \$ - |
| Appropriations Used | (241,800,000) | (241,800,000) | - |
| Total Budgetary Financing Sources | \$ - | \$ - | \$ - |
| Net Position | \$ 449,553,323 | \$ 449,553,323 | \$ 205,334,552 |

The accompanying notes are an integral part of these statements.

Sharyl Attkisson of The CBS Evening News interviews Resident Advisor Henry Pike. Her feature explored how former Gulfport residents were spending their first Christmas away from home.



Armed Forces Retirement Home

STATEMENT OF BUDGETARY RESOURCES

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005
(In Dollars)

| | 2006 | 2005 |
|--|-----------------------|----------------------|
| Budgetary Resources: | | |
| Unobligated Balance Brought Forward, October 1: | \$ 33,296,782 | \$ 20,661,522 |
| Recoveries of Prior Year Unpaid Obligations | 2,887,893 | 8,496,094 |
| Budget Authority | | |
| Appropriation | 542,681,000 | 66,824,000 |
| Temporarily Not Available Pursuant to Public Law | (582,810) | (492,992) |
| Total Budgetary Resources | \$ 578,282,865 | \$ 95,488,624 |
| Status of Budgetary Resources | | |
| Obligations Incurred | | |
| Direct | \$ 306,808,304 | \$ 62,191,842 |
| Unobligated Balance | | |
| Apportioned | 271,474,561 | 33,296,782 |
| Total Status of Budgetary Resources | \$ 578,282,865 | \$ 95,488,624 |
| Change in Obligated Balance: | | |
| Obligated Balance, Net | | |
| Unpaid Obligations, Brought Forward, October 1 | \$ 9,200,924 | \$ 16,158,262 |
| Total Unpaid Obligated Balance, Net | \$ 9,200,924 | \$ 16,158,262 |
| Obligations Incurred Net | 306,808,304 | 62,191,842 |
| Less: Gross Outlays | 305,313,222 | 60,653,086 |
| Less: Recoveries of Prior Year Unpaid | | |
| Obligations, Actual | 2,887,893 | 8,496,094 |
| Total, Unpaid Obligated Balance, Net, End of Period | \$ 7,808,113 | \$ 9,200,924 |
| Change in Outlays: | | |
| Net Outlays: | | |
| Gross Outlays | \$ 305,313,222 | \$ 60,653,086 |
| Net Outlays | \$ 305,313,222 | \$ 60,653,086 |

The accompanying notes are an integral part of these statements.

Armed Forces Retirement Home

STATEMENT OF FINANCING

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005
(In Dollars)

| | 2006 | 2005 |
|---|-----------------------|----------------------|
| Resources Used to Finance Activities: | | |
| Budgetary Resources Obligated | | |
| Obligations Incurred | \$ 306,808,304 | \$ 62,191,842 |
| Less: Spending Authority From Offsetting Collections and Recoveries | 2,887,893 | 8,496,094 |
| Obligations Net of Offsetting Collections and Recoveries | \$ 303,920,411 | \$ 53,695,748 |
| Net Obligations | \$ 303,920,411 | \$ 53,695,748 |
| Other Resources | | |
| Imputed Financing From Costs Absorbed By Others | 1,644,823 | 2,131,726 |
| Net Other Resources Used to Finance Activities | \$ 1,644,823 | \$ 2,131,726 |
| Total Resources Used to Finance Activities | \$ 305,565,234 | \$ 55,827,474 |

Resources Used to Finance Items Not Part of the Net Cost of Operations

| | | |
|---|----------------|----------------|
| Change in Budgetary Resources Obligated For Goods, Services and Benefits Ordered But Not Yet Provided | \$ (2,211,294) | \$ (7,874,994) |
| Resources That Fund Expenses Recognized in Prior Periods | 423,470 | 210,482 |
| Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operation | | |
| Other | 258,320,491 | 20,404,734 |
| Resources That Finance the Acquisition of Assets | 5,180,391 | 3,180,991 |
| Other Resources or Adjustments to Net Obligated Resources That Do Not Affect Net Cost of Operations | 800,000 | (5,200,000) |
| Total Resources Used to Finance Items Not Part of the Net Cost of Operations | \$ 262,513,058 | \$ 10,721,213 |
| Total Resources Used to Finance the Net Cost of Operations | \$ 43,052,176 | \$ 45,106,261 |

Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period

| | | |
|--|----------------------|----------------------|
| Components Requiring or Generating Resources: | | |
| Other | \$ 20,621 | \$ 177,234 |
| Total Components of Net Cost of Operations That Will Require or Generate Resources | \$ 20,621 | \$ 177,234 |
| Components Not Requiring or Generating Resources: | | |
| Depreciation and Amortization | \$7,677,223 | \$ 5,567,942 |
| Revaluation of Assets or Liabilities | - | 3,893,878 |
| Other | (6,537) | 12,266 |
| Total Components of Net Cost of Operations That Will Not Require or Generate Resources | \$ 7,670,686 | \$ 9,474,086 |
| Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period | \$ 7,691,307 | \$9,651,320 |
| Net Cost of Operations | \$ 50,743,483 | \$ 54,757,581 |

The accompanying notes are an integral part of these statements.

Working Together



“The AFRH staff consistently demonstrates an unwavering commitment to America’s Veterans. This is reflected in their improved accountability and efficiency, since enlisting our administrative support.”

—Nancy Fleetwood,
Deputy Commissioner BPD



“Our relationship with the AFRH is a model of successful public-to-public partnership. It demonstrates the achievements that are possible when good organizations – and great people – team up.”

—Fred Phillips,
Executive Director of ARC (BPD)

Jerry Woods (red cap) from the “Congressional Golf and Crab Society” presents a whale of a check to AFRH. Each year, this group of Congressmen, staffers and defense contractors make a strong drive to raise funds for the Home.



“I enjoy the library, especially reading up on history. I fought in the Battle of the Bulge on the German/Belgium border. We liberated Mauthausen — and it took five weeks to bury the dead.”

—Wilfred “Mac” McCarty
(Ret. Army)



Armed Forces Retirement Home

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Armed Forces Retirement Home (AFRH) was incorporated on November 1, 1991, by section 411(a) of 24U.S.C. The AFRH is an independent agency in the executive branch of the Federal Government. The AFRH has two facilities. One is located in Washington, D.C. and the other is located in Gulfport, MS.

The AFRH's mission is: (a) to provide a continuum of care and services in the retirement community for retired and former members of the Armed Forces, enabling them to live among friends in an atmosphere of personal dignity, as authorized by law; (b) to provide the highest quality of residential, social, and health services to its residents, emphasizing a holistic approach toward each individual which stresses the excellence of these services in meeting the needs and expectations of the current and future residents of the Home; and (c) to retain the unique service identity, atmosphere, and tradition of these historic institutions.

Each facility is maintained as a separate entity operated by a director appointed by the Secretary of Defense. The director of each facility reports to his respective local Board of Trustees. The Armed Forces Retirement Home Board, also appointed by the Secretary of Defense, oversees the activities of the local boards.

The 1991 Defense Authorization Act created an Armed Forces Retirement Home Trust Fund (Trust Fund). Governed by limitations determined annually by the U.S. Congress, the Trust Fund is used to finance operating expenses as well as capital expenditures of the AFRH on an annual and no year basis.

B. Basis of Presentation

These financial statements are provided to meet the requirements of the Accountability of Tax Dollars Act of 2002. The statements consist of the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing.

These financial statements have been prepared to report the financial position and results of operations of the AFRH. These statements were prepared from the books and records of the AFRH in conformity with accounting principles generally accepted in the United States, and the Office of Management and Budget (OMB) Bulletin No. A-136, Form and Content of Agency Financial Statements.

C. Basis of Accounting

Transactions are recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, without regard to receipt or payment of cash. Budgetary accounting measures the appropriations and consumption of budget authority and other budgetary resources and facilitates compliance with legal constraints and controls over use of Federal funds.

To assist OMB in recommending and publishing comprehensive accounting standards and principles for agencies of the Federal Government, the Secretary of the Treasury, the Comptroller of the United States, the Director of OMB, and the Joint Financial Management Improvement Program established the Federal Accounting Standards Advisory Board (FASAB) in 1990. The American Institute of Certified Public Accountant's Council designated FASAB as the accounting standards authority for Federal government entities.

D. Exchange Revenue, Non-Exchange Revenue, and other Financing Sources

Exchange Revenue

Exchange revenues are inflows of resources to a government entity that the entity has earned. Exchange revenue is derived from the rendering of services, the sale of resources, and the use by others of entity assets yielding interest or dividends.

The AFRH's exchange revenue consists primarily of resident fees, rental income, subsistence for food service employees, custodial services, meal tickets, and interest earned on Treasury securities. Revenue from resident fees is recognized when services are provided and is invested for future funding requirements.

Non-Exchange Revenue

Non-Exchange revenues are inflows of resources the government demands or receives by donation. Such revenue is recognized when a specifically identifiable, legally enforceable claim to resources arises, to the extent that the collection is probable and the amount is reasonably estimated.

The AFRH's non-exchange revenue consists of military fines and forfeitures, monthly payroll withholdings from enlisted military personnel, bequests, and donations. Non-exchange revenue is recognized when collected.

Financing Sources

The AFRH receives the majority of funding needed to support operations and capital expenditures from the Trust Fund. The Trust Fund is financed by military fines and forfeitures, monthly payroll deductions from enlisted military personnel, resident fees, interest earned on Treasury securities, and donations.

E. Fund Balance with Treasury

Resident fees receipts collected by the AFRH are processed by a commercial bank for deposit at the U.S. Department of the Treasury (U.S. Treasury). The U.S. Treasury as directed by the authorized certifying officer processes cash receipts and disbursements. Funds with the Department of the Treasury primarily represent funds that are available to pay current liabilities and finance authorized purchase commitments. See Note 2 for additional information.

F. Investments

Trust Fund balances may only be invested in interest bearing debt securities issued by the Bureau of the Public Debt. The AFRH's investments are purchased exclusively through the Bureau of the Public Debt's FEDINVEST system. These securities are market based Treasury securities issued without statutorily determined interest rates and consist of Treasury bills and notes.

The AFRH classifies these investments as held-to-maturity at the time of purchase. The investments are stated at acquisition cost plus or minus any premium or discount. Premiums and discounts are amortized over the life of the Treasury security using the interest method. The AFRH's intent is to hold the investments to maturity, unless securities are needed to sustain operations. No provision is made for realized gains or losses on these securities due to the fact that they are held-to-maturity. Interest is received semi-annually on the held-to-maturity investments. This interest is accrued monthly until it is received.

General Renuart visits with Marion Marques (Ret. Air Force) at the AFRH Christmas Party. Here, the residents are recognized for their service with certificates and commemorative coins.



The AFRH also has an investment in a one-day certificate issued by the Bureau of the Public Debt. The interest earned on the certificate is reinvested in the certificate on a daily basis. These investments are classified as trading securities. The income from the daily interest earned is recorded on a monthly basis. See Note 3 for additional information.

G. Accounts Receivable

The AFRH records accounts receivable as services are provided to residents. All amounts are considered collectible; therefore, no estimate is formulated for the allowance of uncollectible accounts. Generally, accounts receivable consists of either amounts receivable from federal agencies for payroll withholdings, fines and forfeitures, or fees due from residents of the home. See Note 4 for additional information.

H. General Property, Plant, and Equipment, Net

The AFRH owns the land and buildings in which both homes operate. The majority of the property, plant, and equipment is used to provide residential and health care to members and is valued at cost. Equipment purchased, transferred, or donated with an acquisition cost greater than or equal to \$25,000 per unit is capitalized. Routine maintenance is expensed when incurred. Construction costs are capitalized as construction-in-progress until the asset is completed then transferred to the appropriate property account. Depreciation expense is recognized on property, plant, and equipment with the exception of construction-in-progress. Depreciation is recognized using the straight-line method over the assets' useful lives. Other equipment is expensed when purchased. All AFRH heritage assets are multi-use facilities and are classified as general property, plant, and equipment. The useful lives used when recording depreciation on property, plant, and equipment are as follows:

| Description | Life |
|----------------------------|-------|
| Land Improvements | 10-20 |
| Buildings and Improvements | 20-40 |
| Equipment | 5-10 |

Twice a year, active duty personnel visit our Veterans. Here, Barbara Copare shares her photos from the Army Signal Corps. She lived in seven foreign countries with her husband, including Africa and Italy.



I. Liabilities

Liabilities represent the amount of monies or other resources likely to be paid by AFRH as a result of transactions or events that have already occurred. No liability can be paid, however, absent an apportionment. Liabilities for which an apportionment has not been enacted are, therefore, classified as not covered by budgetary resources, and there is no certainty that the apportionment will be enacted. Also, the Government, acting in its sovereign capacity, can abrogate liabilities. See Note 6 for additional information.

J. Accounts Payable

Accounts payable consists of amounts owed to other federal agencies and trade accounts payable.

K. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates. To the extent current or prior year apportionments are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of nonvested leave are expensed as taken.

L. Retirement Plans

Most AFRH employees hired prior to January 1, 1984 participate in the Civil Service Retirement System (CSRS). On January 1, 1984, the Federal Employees Retirement System (FERS) went into effect pursuant to public law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 elected to join either FERS and Social Security or remain in CSRS.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in the FERS, a TSP account is automatically established and AFRH makes a mandatory 1 percent contribution to this account. In addition, AFRH makes matching contributions, ranging from 1 to 4 percent, for FERS eligible employees who contribute to their TSP accounts. Matching contributions are not made to the TSP accounts established by CSRS employees. FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, AFRH remits the employer's share of the required contribution.

AFRH does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the Office of Personnel Management.

M. Imputed Costs / Financing Sources

Federal Government entities often receive goods and services from other Federal Government entities without reimbursing the providing entity for all the related costs. In addition, Federal Government entities also incur costs that are paid in total or in part by other entities. An imputed financing source is recognized by the receiving entity for costs that are paid by other entities. AFRH recognized imputed costs and financing sources in fiscal year 2006 and 2005 to the extent directed by the OMB.

N. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

O. Commitments and Contingencies

Contingent liabilities are recognized when a past event or exchange transaction has occurred, a future outflow or other sacrifice of resources is probable, and the future outflow or sacrifice of resources is measurable. AFRH has no contingencies that require disclosure as of September 30, 2006 and 2005.

P. Federal Employment Compensation Act

The Federal Employees Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work related occupational disease, and beneficiaries of employees whose death is attributable to a job related injury or occupational disease. The total liability should consist of an actuarial and accrued portion. The accrued FECA liability as of September 30, 2006 and 2005 represents claims incurred for benefits administered and paid by DOL to AFRH employees. The AFRH will reimburse DOL for these claims in future periods. See Note 6 for additional information.

Q. Reclassification

Certain fiscal year 2005 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with current year presentation.

NOTE 2. FUND BALANCE WITH TREASURY

| | <u>Schedule as of September 30,</u> | |
|---|-------------------------------------|-----------------------|
| | <u>2006</u> | <u>2005</u> |
| Fund Balances | | |
| Fund Balance with Treasury | \$ 239,123,692 | \$ 6,523,911 |
| Investments | 139,563,566 | 124,841,901 |
| Less: Accrued Interest and Unamortized Premium | 2,160,163 | 1,823,668 |
| Total | 376,527,095 | 129,542,144 |
| Status of Fund Balance with Treasury | | |
| Unobligated Balance | | |
| Available | \$ 271,474,561 | \$ 33,296,782 |
| Unavailable | 97,244,421 | 87,044,438 |
| Obligated Balance not yet Disbursed | 7,808,113 | 9,200,924 |
| Total | \$ 376,527,095 | \$ 129,542,144 |

NOTE 3. INVESTMENTS

| <u>Schedule of Investments as of September 30, 2006</u> | | | | |
|---|------------------------------|---|-----------------------------|-----------------------|
| <u>Description</u> | <u>Value at Maturity</u> | <u>(Discount) Premium Outstanding</u> | <u>Accrued Interest</u> | <u>Book Value</u> |
| MK Note | | | | |
| Matures October 15, 2006 | \$ 36,726,000 | \$ 26,501 | \$ 1,095,759 | \$ 37,848,260 |
| Matures June 30, 2007 | 92,459,000 | (932,381) | 837,910 | 92,364,529 |
| MK Bill | | | | |
| Matures October 26, 2006 | 9,383,000 | (32,223) | - | 9,350,777 |
| Total Investments | \$ 138,568,000 | \$ (938,103) | \$ 1,933,669 | \$ 139,563,566 |

| <u>Schedule of Investments as of September 30, 2005</u> | | | | |
|---|------------------------------|---|-----------------------------|-----------------------|
| <u>Description</u> | <u>Value at Maturity</u> | <u>(Discount) Premium Outstanding</u> | <u>Accrued Interest</u> | <u>Book Value</u> |
| MK Note | | | | |
| Matures October 15, 2006 | \$ 36,726,000 | \$ 703,243 | \$ 1,095,759 | \$ 38,525,002 |
| MK Bill | | | | |
| Matures December 29, 2005 | 87,056,000 | (739,975) | - | 86,316,025 |
| One Day Certificate | | | | |
| Matures Daily | 874 | - | - | 874 |
| Total Investments | \$ 123,782,874 | \$ (36,732) | \$ 1,095,759 | \$ 124,841,901 |



Resident Lanier Phillips (ret. Navy) briefs Admiral Sullivan on his service as the first African-American Sonar Technician aboard the USS Truxton – which sank in WWII.

NOTE 4. ACCOUNTS RECEIVABLESchedule of Accounts Receivable as of September 30,

| | <u>2006</u> | <u>2005</u> |
|----------------------------------|---------------------|---------------------|
| Intragovernmental | | |
| US Army Corp of Engineers | \$ - | \$ 63,136 |
| US Air Force 4th Qtr. Fine | 469,480 | 514,398 |
| US Army 4th Qtr. Fines | 1,376,893 | - |
| US Marines 4th Qtr. Fines | 840,970 | 2,591,408 |
| Total Intragovernmental | 2,687,343 | 3,168,942 |
| Resident Fees Receivable | 537,111 | 730,251 |
| Miscellaneous | 16,945 | 30,708 |
| Total Accounts Receivable | \$ 3,241,399 | \$ 3,929,901 |

NOTE 5. GENERAL PROPERTY, PLANT, AND EQUIPMENT, NETSchedule of Property, Plant and Equipment as of September 30, 2006

| <u>Description</u> | <u>Acquisition Cost (In Dollars)</u> | <u>Accumulated Depreciation (In Dollars)</u> | <u>Net Book Value (In Dollars)</u> |
|---------------------------|--|--|--|
| Land and Improvements | \$ 10,982,370 | \$ 9,539,375 | \$ 1,442,995 |
| Buildings and Improvement | 181,456,706 | 125,873,098 | 55,583,608 |
| Equipment | 3,464,626 | 2,249,210 | 1,215,416 |
| Construction in Progress | 17,633,674 | - | 17,633,674 |
| Total | \$ 213,537,376 | \$ 137,661,683 | \$ 75,875,693 |

Schedule of Property, Plant and Equipment as of September 30, 2005

| <u>Description</u> | <u>Acquisition Cost (In Dollars)</u> | <u>Accumulated Depreciation (In Dollars)</u> | <u>Net Book Value (In Dollars)</u> |
|----------------------------|--|--|--|
| Land and Improvements | \$ 10,982,370 | \$ 9,299,384 | \$ 1,682,986 |
| Buildings and Improvements | 180,073,394 | 119,160,368 | 60,913,026 |
| Equipment | 3,405,220 | 2,026,123 | 1,379,097 |
| Construction in Progress | 13,896,001 | - | 13,896,001 |
| Total | \$ 208,356,985 | \$ 130,485,875 | \$ 77,871,110 |

NOTE 6. LIABILITIES

The accrued liabilities for the AFRH are comprised of program expense accruals, payroll accruals, unfunded annual leave earned by employees, and unfunded FECA liability owed to the Department of Labor. Program expense accruals represent expenses that were incurred prior to year-end but were not paid. Similarly, payroll accruals represent payroll expenses that were incurred prior to year-end but were not paid.

Schedule of Liabilities as of September 30,

| | <u>2006</u> | <u>2005</u> |
|--------------------------------|---------------------|---------------------|
| Intragovernmental | | |
| Accounts Payable | \$ 772,159 | \$ 133,339 |
| Payroll Taxes Payable | 155,028 | 194,644 |
| Unfunded FECA Liability | 1,777,219 | 1,760,931 |
| Total Intragovernmental | 2,704,406 | 2,088,914 |
| Accounts Payable | 3,471,327 | 3,256,252 |
| Accrued Liabilities | 115,855 | 4,133 |
| Accrued Funded Payroll & Taxes | 796,601 | 896,664 |
| Unfunded Annual Leave | 1,162,838 | 1,586,308 |
| Total Liabilities | \$ 8,251,027 | \$ 7,832,271 |



CFO Steve McManus tallies the length of a bass caught by resident Robert Schonheer at the AFRH Fishing Rodeo. (You should have seen the one that got away.)

NOTE 7. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities on AFRH's Balance Sheet as of September 30, 2006 and 2005 include liabilities not covered by budgetary resources, which are liabilities for which congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. Liabilities not covered by budgetary resources consist entirely of unfunded leave and unfunded FECA liability. Unfunded leave and FECA liability balances are \$2,940,057 and \$3,347,239 as of September 30, 2006 and 2005, respectively.

NOTE 8. OPERATING/PROGRAM COSTS

Costs by major budgetary object classification are as follows:

| Budgetary Object Classifications | 2006 | 2005 |
|-----------------------------------|---------------|---------------|
| Personnel and Benefits | \$ 27,608,889 | \$ 32,687,445 |
| Travel and Transportation | 769,990 | 338,169 |
| Rents, Communication & Utilities | 5,557,587 | 4,273,749 |
| Printing and Contractual Services | 21,389,524 | 17,377,325 |
| Supplies and Materials | 4,834,801 | 5,689,488 |
| Equipment | 7,337,549 | 12,337,635 |
| Miscellaneous | 64,218 | 8,671 |
| Total | \$ 67,562,558 | \$ 72,712,482 |

NOTE 9. EARMARKED FUNDS

AFRH has earmarked funds that fall into the following categories: Capital Fund, Hurricane Katrina Fund and the Operations & Maintenance Fund. Governed by limitations determined annually by the U.S. Congress, the Trust Fund is used to finance operating expenses as well as capital expenditures of the AFRH on an annual and no year basis, while the Hurricane Katrina monies were appropriated on an emergency basis to cover necessary expenses related to the consequences of Hurricane Katrina until expended.

The Trust Fund is financed by military fines and forfeitures, monthly payroll deductions from enlisted military personnel, resident fees, interest earned on Treasury securities, and donations.

Transactions are recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, without regard to receipt or payment of cash. Budgetary accounting measures the appropriations and consumption of budget authority and other budgetary resources and facilitates compliance with legal constraints and controls over use of Federal funds.

SCHEDULE OF EARMARKED FUNDS AS OF SEPTEMBER 30, 2006

| | Capital Fund | Hurricane Katrina Fund | Operations & Maintenance Fund | Total Earmarked Funds |
|--|----------------|------------------------|-------------------------------|-----------------------|
| Balance Sheet | | | | |
| ASSETS | | | | |
| Fund Balance with Treasury | \$ (3,099,596) | \$ 232,396,299 | \$ 9,826,989 | \$ 239,123,692 |
| Investments | - | - | 139,563,566 | 139,563,566 |
| Accounts Receivable | - | - | 3,241,399 | 3,241,399 |
| General Property, Plant and Equipment | 74,086,752 | 1,788,941 | - | 75,875,693 |
| Total Assets | \$ 70,987,156 | \$ 234,185,240 | \$ 152,631,954 | \$ 457,804,350 |
| LIABILITIES AND NET POSITION | | | | |
| Accounts Payable | \$ 317,137 | \$ 1,417,092 | \$ 2,509,257 | \$ 4,243,486 |
| Other | - | 177,099 | 3,830,442 | 4,007,541 |
| Cumulative Results of operations | 70,670,019 | 232,591,049 | 146,292,255 | 449,553,323 |
| Total Liabilities and Net Position | \$ 70,987,156 | \$ 234,185,240 | \$ 152,631,954 | \$ 457,804,350 |
| Statement of Net Cost | | | | |
| Program Costs | \$ 7,166,483 | \$ 9,208,951 | \$ 51,187,124 | \$ 67,562,558 |
| Less: Earned Revenues | - | - | 16,819,075 | 16,819,075 |
| Net Program Costs | 7,166,483 | 9,208,951 | 34,368,049 | 50,743,483 |
| Less: Earned Revenues Not Attributable to Programs | - | - | - | - |
| Net Cost of Operations | \$ 7,166,483 | \$ 9,208,951 | \$ 34,368,049 | \$ 50,743,483 |
| Statement of Changes in Net Position | | | | |
| Net Position Beginning of Period | \$ 77,836,502 | \$ - | \$ 127,498,051 | \$ 205,334,553 |
| Net Cost of Operations | 7,166,483 | 9,208,951 | 34,368,049 | 50,743,483 |
| Taxes and Other Nonexchange Revenue | - | - | 49,744,164 | 49,744,164 |
| Other Revenue | - | 241,800,000 | 53,162,253 | 294,962,253 |
| Change in Net Position | (7,166,483) | 232,591,049 | 18,794,204 | 244,218,770 |
| Net Position End of Period | \$ 70,670,019 | \$ 232,591,049 | \$ 146,292,255 | \$ 449,553,323 |



“ Talk about Virginia slims! These lovely southern belles really lit up the entire room.”

— Mike Longwell (on Ms. Arlington & Mrs. Virginia)

The T's to Cross

ARMED FORCES RETIREMENT HOME

Required Supplementary Stewardship Information

FOR THE YEARS ENDED SEPTEMBER 30, 2006 AND 2005

Federal agencies are required to classify and report heritage assets, in accordance with the requirements of SFFAS No. 8, “Supplementary Stewardship Reporting.”

Heritage assets are property, plant, and equipment that possess one or more of the following characteristics: historical or natural significance; cultural, educational, or aesthetic value; or significant architectural characteristics.

Since the cost of heritage assets is usually not determinable, AFRH does not place a value on them or establish minimum value thresholds for designation of property, plant, and equipment as heritage assets. Additionally, the useful lives of heritage assets are not reasonably estimable for depreciable purposes.

Since the most relevant information about heritage assets is their existence, they are qualified in terms of physical units.

The AFRH has four buildings and structures that are designated as National Historic Landmarks.

In accordance with SFFAS No. 8, heritage assets that are used in day-to-day government operations are considered “multi-use” heritage assets that are not used for heritage purposes. Such assets are accounted for as general property, plant and equipment and are capitalized and depreciated in the same manner as other general property, plant and equipment. The AFRH has three buildings and structures that are considered to be “multi-use” heritage assets.

ARMED FORCES RETIREMENT HOME

REQUIRED SUPPLEMENTARY INFORMATION – INTRAGOVERNMENTAL TRANSACTIONS

AS OF SEPTEMBER 30, 2006

| Intragovernmental Assets | | | | |
|--------------------------|-------------------------------|----------------|------------------------|----------------|
| Agency | Fund Balance with Treasury | Investments | Accounts Receivable | Total |
| Treasury | \$ 239,123,692 | \$ 139,563,566 | \$ - | \$ 378,687,258 |
| Air Force | - | - | 469,480 | 469,480 |
| Army Corp of Engineers | - | - | 1,376,893 | 1,376,893 |
| Marines | - | - | 840,970 | 840,970 |
| Total | \$ 239,123,692 | \$ 139,563,566 | \$ 2,687,343 | \$ 381,374,601 |

| Intragovernmental Assets | | | | |
|----------------------------------|----------------------------------|---------------|----------------|----------------|
| Agency | Accounts Payable and Accruals | Payroll Taxes | Other | Total |
| Treasury | \$ (78,143) | \$ - | \$ - | \$ (78,143) |
| Treasury General Fund | - | (41,968) | - | (41,968) |
| Army | (32,123) | - | - | (32,123) |
| General Services Administration | (26,886) | - | - | (26,886) |
| Dept. of Health & Human Services | (3,109) | - | - | (3,109) |
| Dept. of Interior | (548,457) | - | - | (548,457) |
| Labor | - | - | (1,777,219) | (1,777,219) |
| Personnel Management | - | (113,060) | - | (113,060) |
| Secretary of Defense | (14,753) | - | - | (14,753) |
| Veteran's Affairs | (68,688) | - | - | (68,688) |
| Total | \$ (772,159) | \$ (155,028) | \$ (1,777,219) | \$ (2,704,406) |

The driving range at AFRH is a great escape for our community. Residents, members and guests alike come out to practice, unwind or really tee-off.